

Table 5-4. Scheduled Tax Rates for Tier 1 and Tier 2
Selected Years, 1975—2012

Year	Tier 1 and Hospital Insurance ^a			Tier 2			Combined Tier 1, Tier 2 and Hospital Insurance ^b	
	Employer	Employee	Wage Base	Employer	Employee	Wage base	Employer	Employee
1975	5.85	5.85	\$14,100	9.5	0.0	\$14,100	15.35	5.85
1980	6.13	6.13	25,900	9.5	0.0	20,400	15.63	6.13
1985	7.05	7.05	39,600	13.75	3.50	29,700	20.80	10.55
1986	7.15	7.15	42,000	14.75	4.25	31,500	21.90	11.40
1987	7.15	7.15	43,800	14.75	4.25	32,700	21.90	11.40
1988	7.51	7.51	45,000	16.10	4.90	33,600	23.61	12.41
1989	7.51	7.51	48,000	16.10	4.90	35,700	23.61	12.41
1990	7.65	7.65	51,300	16.10	4.90	38,100	23.75	12.55
1991	7.65	7.65	53,400	16.10	4.90	39,600	23.75	12.55
1992	7.65	7.65	55,500	16.10	4.90	41,400	23.75	12.55
1993	7.65	7.65	57,600	16.10	4.90	42,900	23.75	12.55
1994	7.65	7.65	60,600	16.10	4.90	45,000	23.75	12.55
1995	7.65	7.65	61,200	16.10	4.90	45,300	23.75	12.55
1996	7.65	7.65	62,700	16.10	4.90	46,500	23.75	12.55
1997	7.65	7.65	65,400	16.10	4.90	48,600	23.75	12.55
1998	7.65	7.65	68,400	16.10	4.90	50,700	23.75	12.55
1999	7.65	7.65	72,600	16.10	4.90	53,700	23.75	12.55
2000	7.65	7.65	76,200	16.10	4.90	56,700	23.75	12.55
2001	7.65	7.65	80,400	16.10	4.90	59,700	23.75	12.55
2002	7.65	7.65	84,900	15.60	4.90	63,000	23.25	12.55
2003	7.65	7.65	87,000	14.20	4.90	64,500	21.85	12.55
2004	7.65	7.65	87,900	13.10	4.90	65,100	20.75	12.55
2005	7.65	7.65	90,000	12.60	4.40	66,900	20.25	12.05
2006	7.65	7.65	94,200	12.60	4.40	69,900	20.25	12.05
2007	7.65	7.65	97,500	12.10	3.90	72,600	19.75	11.55
2008	7.65	7.65	102,000	12.10	3.90	75,900	19.75	11.55
2009	7.65	7.65	106,800	12.10	3.90	79,200	19.75	11.55
2010	7.65	7.65	106,800	12.10	3.90	79,200	19.75	11.55
2011	7.65	5.65 ^c	106,800	12.10	3.90	79,200	19.75	9.55
2012	7.65	5.65 ^c	110,100	12.10	3.90	81,900	19.75	9.55

Source: U.S. Railroad Retirement Board.

Notes: October 1, 1973 was the effective date for the allocation of railroad retirement taxes by tiers. This table was updated on August 9, 2012 for the 2012 version of the House Ways and Means Committee Green Book.

a. The tier 1 retirement program tax rate is set equal to the Social Security tax rate, that is, at 6.2% from 1990 on. The tier 1 employer and employee payroll tax rates shown here include the 6.2% tier 1 tax and the

- 1.45% hospital insurance tax (Medicare Part A). The wage base for the hospital insurance payroll tax was \$125,000 in 1991, \$130,200 in 1992, \$135,000 in 1993, and no limit in 1994 and later.
- b. The combined tax rate applies only up to the tier 2 maximum wage base. Wages above the tier 2 maximum wage base are subject to the tier 1 payroll tax rate up to the higher tier 1 maximum wage base, and to the 1.45% hospital insurance (Medicare Part A) tax. Wages above the tier 1 maximum wage base are subject only to the 1.45% hospital insurance (Medicare Part A) tax.
 - c. In 2011 and 2012, a payroll tax holiday reduces the tier 1 payroll tax rate for employees and the self-employed by 2 percentage points. General revenues are transferred to the Social Security Equivalent Benefit Account in amounts equal to the reduction in tier 1 payroll tax revenues.